

# HELM FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111  
415/398-4510 FAX 415/398-4516

November 21, 2002

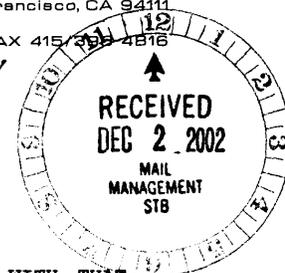
Mr. Vernon Williams  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001

RECORDATION NO. 23168-<sup>WW</sup> FILED

DEC 02 02

2-07 PM

**SURFACE TRANSPORTATION BOARD**



**RE: PARTIAL TERMINATION OF SECURITY AGREEMENT IN CONNECTION WITH THAT CERTAIN REVOLVING CREDIT AND TERM LOAN AGREEMENT ("Partial Termination"), dated as of November 15, 2002, by FLEET NATIONAL BANK ("Fleet"), as Secured Party, for the benefit of HELM HOLDING CORPORATION, a California corporation, HELM FINANCIAL CORPORATION, a California corporation, and HELM LOCOMOTIVE LEASING CORPORATION, a California corporation (collectively, "Helm") as Debtors.**

Dear Mr. Williams:

On behalf of Helm Financial Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder the following document:

Four (4) fully executed originals of the above referenced Partial Termination.

In connection with the recording of this Partial Termination, please note the following information:

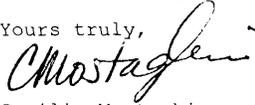
Name and Address of Helm: Helm Financial Corporation  
One Embarcadero Center, Suite 3700  
San Francisco, CA 94111

Name and Address of Fleet: Fleet National Bank  
Transportation Division  
100 Federal Street  
Boston, MA 02110

Equipment: Twelve (12) locomotives bearing the reporting marks HATX 403, 404; HLCX 3616, 4404, 4411; BAR 303; CSXT 2123, 9659, 6561, 6594, 6848; TFM 1157.

Please record this Partial Termination as a supplement agreement to STB Recordation No. 23168 filed on October 18, 2000 at 2:43 p.m. Helm's check covering the \$30.00 filing fee is enclosed.

**Summary:** Partial Termination of Security Agreement dated as of November 15, 2002, by Fleet National Bank, a national banking association ("Fleet") as the Agent for the Lenders, as defined in the Credit Agreement, for the benefit of Helm Holding Corporation, a California corporation, Helm Financial Corporation, a California corporation (collectively, "Helm"), for the twelve (12) locomotives bearing the reporting marks HATX 403, 404; HLCX 3616, 4404, 4411; BAR 303; CSXT 2123, 9659, 6561, 6594, 6848; TFM 1157, to be filed as a supplemental agreement to STB Recordation No. 23168.

Yours truly,  
  
Cecilia Mostaghim  
Contract Administrator

/cm  
Enclosures (4)

PARTIAL TERMINATION OF  
SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of November 15, 2002, by FLEET NATIONAL BANK, a national banking association ("Fleet") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of HELM HOLDING CORPORATION, a California corporation, HELM FINANCIAL CORPORATION, a California corporation and HELM LOCOMOTIVE LEASING CORPORATION, a California corporation (collectively, "Helm").

1. **Recitals.** Helm owns the rail equipment bearing the Association of American Railroad reporting mark and numbers as described in Exhibit A attached hereto (the "Units"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "Collateral"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "Security Agreement") as filed with the Surface Transportation Board of the Department of Transportation ("STB") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "Credit Agreement").

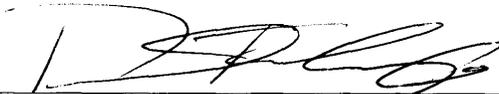
Helm intends to sell the Units to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Units and requests Fleet to terminate its lien and security interest in the Units.

2. **Consent & Partial Termination.** Fleet hereby consents to the sale of the Units by Helm. Fleet hereby forever terminates any and all liens and security interests in the Units granted to it under the Security Agreement. Such liens and security interests in the Units shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Units shall be null and void.

This Partial Termination shall have no effect on Fleet's lien and security interest in any other Collateral other than the Units and said lien and security interest in such other Collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By:   
Print Name: Paul Felton, Jr.  
Its: Managing Director

RECORDATION NO. 23168-WW FILED  
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SURFACE TRANSPORTATION BOARD

CM

STATE OF MASSACHUSETTS )  
 ) S.S.  
COUNTY OF SUFFOLK )

On November 20, 2002, before me, Caryn Suffradini,  
personally appeared Paul Falvey, Managing Director of  
**FLEET NATIONAL BANK**

> personally known to me -OR-

\_\_\_ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s)  
acted, executed the instrument.

Witness my hand and official seal.

*Caryn Suffradini*  
SIGNATURE OF THE NOTARY  
Commission expires: 11/27/03

[Notarial Seal]

*cm*

EXHIBIT A

To the **PARTIAL TERMINATION OF SECURITY AGREEMENT** dated November 15, 2002.

THE UNITS:

| <u>Mark &amp; Number:</u> | <u>Type:</u> |
|---------------------------|--------------|
| BAR 303                   | GP38         |
| HLCX 3616                 | GP38         |
| CSXT 2123                 | GP38         |
| CSXT 9659                 | GP38         |
| <br>                      |              |
| HATX 403                  | GP40         |
| HATX 404                  | GP40         |
| CSXT 6561                 | GP40         |
| CSXT 6594                 | GP40         |
| CSXT 6848                 | GP40         |
| TFM 1157                  | GP40         |
| <br>                      |              |
| HLCX 4404                 | GP40-CLC     |
| HLCX 4411                 | GP40-CLC     |

*OMM*